

onerous to equity specialists in today's marketplace when required to guarantee a minimum of 599 shares. Specifically, specialists face situations where bids and offers as small as 100 shares trigger the PACE Quote guarantees described above. Small size quotes, however, might not necessarily reflect the overall market price at a given time.

Nevertheless, under the PACE rule, in certain circumstances it is the specialist's duty to give the NBBO price, regardless of the size of the NBBO. Particularly, when the specialist's guarantee is set at the current minimum of 599 shares, the size of the PACE Quote does not affect the price at which orders up to 599 shares are executed.

Thus, the Exchange hereby proposes to decrease the minimum automatic execution size from 599 to 299 shares, which should decrease the amount of orders that qualify for the above automatic price guarantee features; and should allow the specialist to choose to handle more orders manually, and voluntarily, in accordance with Supplementary Material .05 and .10, thereby alleviating some of the burdens of mandatory execution guarantees. In addition, when an order is greater than the size of the PACE Quote, the proposal will offer the specialist the option to give the order an execution at the PACE Quote, either manually or automatically, up to the PACE Quote size. In other words, the specialist may choose manual or automatic execution up to the PACE Quote size portion of his order, but it remains his choice, just as he may still choose to guarantee an automatic execution at the PACE Quote for orders up to the size of his elected "automatic execution guarantee," as stated in Supplementary Material .05. As such, the automatic execution guarantee will be more sensitive to the size of the PACE Quote.

For these reasons, the Exchange believes that this proposal is consistent with section 6(b) of the Act in general, and furthers the objectives of section 6(b)(5) in particular, in that it should promote just and equitable principles of trade, by fostering fair and orderly markets while relieving specialists of the duty to execute certain orders at a guaranteed price, where that price would otherwise not be available for the size that the specialist must guarantee.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Phlx does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing proposed rule change has been designated as a rule effecting a change in an existing order-entry or trading system of a self-regulatory organization, pursuant to section 19(b)(3)(A) of the Act and Rule 19b-4(f)(5) thereunder. Accordingly, the proposal will take effect upon filing with the Commission. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-2001-46 and should be submitted by July 3, 2001.¹⁰

¹⁰ The Commission notes the Exchange's obligation to submit to the Commission (individually or jointly with other exchanges) a study regarding the impact of decimal pricing on systems capacity, liquidity, and trading behavior ("Decimals Study"), pursuant to a Commission Order dated June 8, 2000. See Securities Exchange Act Release No. 42914 (June 8, 2000); 65 FR 38010 (June 19, 2000), as amended by Securities Exchange Act Release No. 44336 (May 22, 2001); 66 FR 29368 (May 30, 2001) (extending the deadline to submit the Decimals Study). The Commission expects the

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-14735 Filed 6-11-01; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3336]

State of Kansas; Amendment No. 1

In accordance with a notice received from the Federal Emergency Management Agency, dated May 1, 2001, the above-numbered Declaration is hereby amended to establish the incident period for this disaster as occurring between April 21, 2001 and continuing through May 1, 2001. All other information remains the same, i.e., the deadline for filing applications for physical damage is June 26, 2001 and for economic injury the deadline is January 28, 2002.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: June 6, 2001.

Allan I. Hoberman,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 01-14751 Filed 6-11-01; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3343]

State of Ohio

Scioto County and the contiguous counties of Adams, Jackson, Lawrence and Pike in the State of Ohio; and Greenup and Lewis Counties in the Commonwealth of Kentucky constitute a disaster area due to damages caused by severe thunderstorms, high winds and flooding which began on May 17, 2001 and continued through May 26, 2001. Applications for loans for physical damage may be filed until the close of business on August 3, 2001 and for economic injury until the close of business on March 4, 2002 at the address listed below or other locally announced locations:

U.S. Small Business Administration,
Disaster Area 2 Office, One Baltimore
Place, Suite 300, Atlanta, GA 30308
The interest rates are:

Exchange to evaluate in the Decimals Study the effect of amended Rule 229 on equity specialists' handling of customer limit orders for more than 299 shares.

¹¹ 17 CFR 200.30-3(a)(12).

For Physical Damage

Homeowners with Credit Available

Elsewhere: 6.625%

Homeowners without Credit Available

Elsewhere: 3.312%

Businesses with Credit Available

Elsewhere: 8.000%

Businesses and Non-Profit

Organizations Without Credit

Available Elsewhere: 4.000%

Others (Including Non-Profit

Organizations) With Credit Available

Elsewhere: 7.125%

For Economic Injury

Businesses and Small Agricultural

Cooperatives Without Credit

Available Elsewhere: 4.000%

The number assigned to this disaster for physical damage is 334311 for Ohio and 334411 for Kentucky. The number assigned to this disaster for economic injury is 9L8000 for Ohio and 9L8100 for Kentucky.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: June 4, 2001.

John Whitmore,

Acting Administrator.

[FR Doc. 01-14750 Filed 6-11-01; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION**Office of the Secretary****Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart B (formerly Subpart Q) during the Week Ending June 1, 2001**

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart B (formerly Subpart Q) of the Department of Transportation's Procedural Regulations (See 14 CFR 301.201 et seq.). The due date for Answers, Conforming Applications, or Motions to Modify Scope are set forth below for each application. Following the Answer period, DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

Docket Number: OST-2001-9824.

Date Filed: May 31, 2001.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: June 21, 2001.

Description: Application of Federal Express Corporation pursuant to 49

U.S.C. section 41102 and Subpart B, requesting renewal and amendment of its certificate of public convenience and necessity for Route 568 to provide scheduled foreign air transportation of property and mail between points in the United States, on the one hand, and points in Mexico, on the other hand.

Docket Number: OST-1995-766.

Date Filed: June 1, 2001.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: June 22, 2001.

Description: Application of American Airlines, Inc., pursuant to 49 U.S.C. section 41108 and 14 CFR part 377, requesting renewal of its certificate authority to serve between U.S. points and Barcelona, Spain on segment 3 of its certificate for Route 602.

Docket Number: OST-2001-9826.

Date Filed: June 1, 2001.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: June 22, 2001.

Description: Application of MEDjet International, Inc., pursuant to 49 U.S.C. section 41102 and Subpart B, requesting a certificate of public convenience and necessity to engage in (i) interstate charter air transportation of persons, property and mail; and, (ii) foreign air transportation of persons, property and mail.

Docket Number: OST-2001-9828.

Date Filed: June 1, 2001.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: June 22, 2001.

Description: Application of Northwest Airlines, Inc., pursuant to 49 U.S.C. 41102 and Subpart B, requesting an amendment of its Experimental Certificate of Public Convenience and Necessity for Route 564 (U.S.-Mexico) to incorporate segments authorizing service between Seattle and San Jose del Cabo/Puerto Vallarta/Mazatlan; (ii) San Francisco and Zihuatanejo; and (iii) Los Angeles and Manzanillo/Zihuatanejo.

Dorothy Y. Beard,

Federal Register Liaison.

[FR Doc. 01-14726 Filed 6-11-01; 8:45 am]

BILLING CODE 4910-62-P

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration**

[Dockets No. FAA-2001-9852; No. FAA-2001-9854]

Notice of Alternative Policy Options for Managing Capacity at LaGuardia Airport and Proposed Extension of the Lottery Allocation

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Request for comments on alternative policy options for managing capacity and mitigating congestion and delay at LaGuardia Airport (LGA) and the proposed extension of the lottery allocation.

SUMMARY: The Federal Aviation Administration is gathering information on the feasibility and effectiveness of a limited number of demand management options that could replace the current temporary administrative limits on the number of aircraft operations at LGA which are scheduled to expire on September 15, 2001. Because of the unique circumstances that exist at LGA and the need to avoid gridlock at one of the nation's most critical airports, the FAA is examining various demand management approaches—that is, approaches that would continue to bring airport demand and capacity into equilibrium. The options discussed below are classified into either market-based or administrative options. While two specific options submitted by the Port Authority of New York and New Jersey (PANYNJ) are included for comment in this **Federal Register** Notice, FAA does not propose, nor endorse, either of these options at this time.

The FAA will use the information provided by interested parties, as well as other research, to identify an access management process that will allocate LGA's limited capacity among aircraft operators. Commenters are requested to discuss how the various demand management options would affect other important public policy objectives, such as airline competition and small community access to important air travel markets, and may raise legal and regulatory impediments, although that is not the focus of this notice.

DATES: Comments on Phase One, the temporary extension of the current administrative lottery allocation beyond September 14, 2001, must be received by July 12, 2001. Comments on Phase Two, demand management options to replace the current administrative allocation, must be received by August 13, 2001.